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Country of Origin Labeling Program
Agricultural Marketing Service
USDA, Stop 0249, Room 2092-S
1400 Independence Avenue, S.W.
Washington, D.C. 20250-0249,

Re: Federal Register: October 11, 2002 (Volume 67, Number 198) Docket Number LS-02-13 "Establishment of Guidelines of the Interim Voluntary Country of Origin Labeling of Beef, Lamb, Pork, Fish, Perishable Agricultural Commodities and Peanuts Under the Authority of the Agricultural Marketing Act of 1946"

My name is Thomas G. Anderson. I am the President of a small chain of family owned supermarkets in Minnesota and Iowa. I am writing to express to you in the strongest possible terms that the approach taken by these voluntary guidelines is unfair and burdensome to the retail grocery industry and to independent retailers and wholesalers in particular. They will impose tremendous cost burdens on industry and consumers, with absolutely no food safety benefits.

Many aspects of this impending regulation are bad for business. Aspects such as: (1) A recordkeeping requirement that would force retailers to keep two years worth of records at the point of sale on every covered product that indicate their country of origin. Right now we have to rent outside storage to keep all the records that the IRS and the Department of Labor require. (2) Labeling requirements that hold the retailer accountable for maintaining a verifiable audit trail for individual items. This is a burden for the retailer that rightly should rest with the producers and suppliers. (3) The costs have been drastically underestimated by the USDA. The AMS estimates that the cost for the first year alone will be \$628 million for retailers and \$340 million for wholesalers. In my opinion even those figures are low. (4) The entire program is fundamentally anti-small business. Independent retailers and wholesalers will face disproportionately higher compliance costs compared to their larger competitors.

Proponents of country of origin labeling sold this plan to Congress by claiming it would improve the safety of the food supply and "give more information to consumers." But what this is really at work here is certain domestic agricultural producers seeking to discredit their foreign competitors and using fears of terrorist activity to their own advantage. Meanwhile, independent retailers and wholesalers, as well as consumers, are left to foot the bill.

As the National Grocers Association (N.G.A.) told Congress when the 2002 Farm Bill was debated, government studies have shown that country-of-origin labeling proposals are costly for consumers, burdensome on the food industry, unenforceable by government agencies, and do not enhance food safety. The lack of food safety effectiveness is evidenced by the fact that these rules address only certain unprocessed meat, fish, fruit and vegetable commodities sold at retail, completely ignoring food sold in restaurants.

As a result, retailers will have to make producers and suppliers responsible for verifying and certifying the country of origin to comply with the law. These requirements lay all of the responsibility at the retailers' doorstep when it comes to establishing an audit trail to verify the origins of hundreds upon hundreds of products that move through stores every day.

Furthermore, these requirements will create onerous paperwork burdens, which will further penalize the independent sector of the food distribution industry. USDA estimates the recordkeeping alone will cost retailers \$628 million and wholesalers \$340 million for the first year. This does not include the cost of labels, computer adjustments, and other measures to comply. As is often the case, this government rule falls disproportionately on small businesses, like independent retailers and wholesalers, who must divert limited resources to comply.

The nation's independent, community-focused retailers and wholesalers stand ready to work with USDA to construct more honest and meaningful approaches to enhancing food safety. I urge you to reject these costly, misleading country-of-origin labeling mandates.

Sincerely,

Thomas G. Anderson
President